the export obligation despite its best efforts.

Fraud in Calcutta Branch of Hongkong Bank

1144. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of fraud in the Calcutta branch of Hongkong bank in June, 1991;

(b) if so, the details thereof; and

(c) whether Government have been able to arest the culprits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Hongkong and Shanghai Banking Corporation Ltd. have reported to the Reserve Bank of India that a fraud was detected in one of the accounts maintained at its Calcutta branch. The fraud has been committed by one of the employees of the acocunt holder.

(c) The account holder has lodged a police complaint.

Action against HMT and Private Parties for violating customs laws.

1145. SHRI SANTOSH BAGRODIA:
DR. RATNAKAR PANDEY:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 1036 given in the Rajya Sabha on the 7th March, 1991 and state what follow up action has been taken by the customs authorities against the parties which sold the smuggled wrist watch parts and components to M|s HMT Limited as also against the company for violating the customs laws?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Show Cause Notices have been issued under the Customs Act, 1962, in respect of the parties found to be involved in the deal. Show Cause Notices have also been issued on M|s HMT Limited and its subsidaries. Adjudication proceedings are in progress. In respect of units of M|s HMT at Ranibagh (UP) and Tumkur (Karnataka) investigations are in progress.

Children addicted to brown sugar in Babulda

1146. SHRI SANTOSH BAGRODIA: Will the Minister of WELFARE be pleased to state:

(a) whether Government are aware that even children are addicted to brown sugar in Babulda (Mandsaur District) Madhya Pradesh;

(b) if so, what are the details in this regard; and

(c) what steps Government propose to take to save the children of this village and in other parts of the country from addiction to brown sugar?

THE MINSTER OF WELFARE (SHRI SITA RAM KESRI): (a) to (c) Information is being collected from the State Government and will be laid on the Table of the House.

Additionality criteria for counter trade with M|s. Bofors

1147. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question 856 given in the Rajya Sabha on 3rd January 1991 and state:

(a) the list of commodities specified under the new addionality criteria for counter trade with M|s. Bofors; and

(b) what additionality has been recorded against Rs. 516 crores worth of exports already made upto 31st

October, 1990 under the deal with M/s Bofors?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Commodities list is attached at Statement-I.

(b) The guidelines for counter-trade under Bofors MOU were reviewed and modified from time to time. According to the guildelines in force during the period upto 31-10-1990, the amount of Rs. 516 crores is treated as additionality.

Statement I

Positive List of Commodities eligible for credit under counter trade

I. *Chemicals*

1. Drugs and Pharmaceuticals as formulations.
2. Chemicals: List as at Statement II.
3. Cement-other then export to SAARC countries
4. Paper of various types and Paper boards.
5. Rubber Sheets/plastic sheetings and products.
6. Distilled water for injection.
7. All plastic products (PP bags, PP woven sackes, ropes and twines, moulded luggage, PVC leather cloth)

8.a. Paints, varnishes and enamels.

b. Porcelain insulators.

c. Refractories

d. Explosives and explosive acessories

e. Rubber manufactured products, including tyres.

f. Glassware

g. Ossein and gelatine

h. Glazed Ceramic Tiles.

9. Glycerine, Soapes, Detergent, Cosmetics,Toiletries, Agarbattis,Crude Drugs (Except Psyllium husk) such as Nux Vomica, Sarasaparilla, Senna leaves and pods, Opium Alkaloids, Tukmaria, Zedovery Roots, Vinca Rosea Roots, rubber belting and Soda Ash.

10. Reclaimed Rubber' Intex Madical Surgical gloves, Sanitary towels, Condom, Pandaiol, Spectacle frames and lensee.

II. *Engineering*

1. Heavy & Llight Engineering items—as at Statement III.

III. *Leather & sports goods*

1. Leather travel goods and leather travel accessories including wallets.
2. Full leather shoes.
3. Sports goods.

IV. *Agro Products*

1. All Agro products in consumer packs not exceeding 5 kg., Non-basmati rice and Wheat
2. Processed and packaged food including mushrooms excluding meat, fruit pulp.
3. * Coffee
4. * Processed cashew nuts (in consumer packs upto 1 kg.)
5. Spices such as cardamom and pepper
6. All essential oils and spice oils and 'oleoresins'
7. Cotton seeds extractions, castor seeds extractions
8. Rice bran & groundnut extractions only to USA and West Europe
9. Tobacco.
10. Guargum

V. *Electronics*

1. Black and White picture tubes
2. Resistors
3. Capacitors
4. Sound System
5. Two-in-Ones
6. Computer Software and Hardware.
7. Black & White T.V., Audio & Video Cassettes, Radio, Ferites and Magnets.

VI. *Marine products*

1. All fish other than shrimps. In Case of shrimps, individually quick frozen (IQF) cooked/ freeze dried shrimps and Head onshrimps in blockform will be allowed under count s trade.

VII. *Minerals and Ores*

1. Mica Products
2. Cut and polished granite and slates.
3. Ferro Alloys
4. Redi Ore (low grade) and Belekeri Ore, Coal (Other then Nepal and Bangladesh).

VIII. *Textiles*

1. Jute products

a. Hessian

b. Sacking

c. Carpet backing cloth

d. Jute decoratives; and

e. Jute diversified products particularly jute shopping bags, jute or jute blended carpets, jute yarn, jute geo-textiles (also as geo-jute), jute blended felts, etc.

2. Cotton fabrics--for non-quota countries.

3. Made-up handlooms fabrics/made-ups, cotton durries/carpets other than those under quota restrictions apparels otherthan those under quota restrictions, woollen and sportswear fabrics otherthan those under quota restrictions.

4. Blended yarn (non-cotton) and Sewing thread.

5. Textiles including Handloom rugs, carpets, sheeting (non-quota countries).

IX. *Project Export*

1. Projects -to the extent of net foreign exchange realisation.

X. *General*

1. New products not covered above on a case to case basis.

* Only if the items are contracted directly with the nodal agency, or the right of first refusal is given to the nodal agency.

Statement-II

List of basic organic and inorganic chemicals including agro chemicals

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1. Sulphuric Acid
2. Silica Gel
3. Calcium Chloride
4. Magnesium Chloride
5. Ammonia alum
6. Copper Sulphate
7. Calcium Posphate
8. Ammonium Bicorbonate
9. Calcium Carbonate
10. Barium Chloride
11. Potassium Chloride
12. Activated Bleaching Earth/Fullers Earth
13. Thorium Nitrate
14. Ferric Chloride

15. Sulfanic Acid
16. Cuprous Chloride
17. Sodium Chloride
18. Thorium Oxide
19. Citric Acid
20. Activated Carbon
21. B. H. C Dust
22. Dyes and dye intermediates
23. Aluminium phosphide
24. Pesticides
25. Zinc Phosphide
26. Oil field chemicals

Statement-III

List of specific items under "Heavy and Light engineering items" for inclusion in counter trade deals

Heavy Engineering Items

1. Industrial Machinery of all types including equipment and spare parts
2. Electrical power generation and distribution equipments
3. Earthmoving equipments
4. Trucks/commercial vehicles/passenger vehicles/automotive components
5. Air and Gas compressors
6. Agriculture machinery
7. Prime-movers like Diesel engines
8. Railway Rolling Stock like Wagons, Locomotives Coaches, Tracks, Signalling equipment and components, castings & forgings etc.
9. Machine Tools and hand tools
10. Transmission Line Towers
11. Ocean freight containers
12. Ships & Boats

• *Light Engineering Items*

13. Scooters, Mopeds & Motorcycles
14. Consumer durables such as complete bicycles, electric fans and lamps
15. Sewing machines
16. Pumps and industrial valves
17. Products of Metallurgical industries like castings, forgings, fasteners, etc
18. Commercial office equipments
19. Electrical industry
20. Razor and Razor Blades
21. Roller/Ball Bearings, Spun pipes & grinding Wheels, wire ropes.

Statement-IV

Counter-Trade credit not be given for the following categories of exports

— Export to RPA countries.

— Exports from 100 per cent EOUs and FTZs.

— All quota items to quota countries.

— Exports to South Africa and Israel.

Guidelines/Parameters for the additionality criteria for Counter Trade exports.

. . . . . .

(i) The criteria of base level of Indian exporters for the additionality norms should be followed. In this regard, the additionality would be judged with reference to exporter-wise and country wise exports for the product'If there is a problem in any case, then the issue could be examined on a case-to-case basis. The nodal agency for implementing the CT arrangement, viz, STC/ MMTC/PEC could be authorised to examine them and decided with the approval of the, Executive Committee constituted by the respective Boards which should include Dir (Fin) or a representative of Finance Wing of the respective corporations.

(ii) Exports should be made from the positive list of commodities finalised from time to time. However, in certain specified cases (to be decided as indicated at (i) above. Items not specified in the positive list, may be allowed upto 15-20% of the CT contract value after examining on a case-to case basis.

(iii) Endeavour should be made to enter into direct company to company contracts (by the CT nodal agency). Efforts should be made to supply commodities for the own requirement of the foreign party and their associates.

(iv) Exports of a patticular commodity to a particular destination, made in fulfilment of earlier counter trade obligations shall be excluded from the exports of the Indian seller in the base year.

(v) Based on the certificates given by the Indian Supplier(s), exports effected although to the same destination as in the base year, but to new buyers, could qualify for CT credit, based on satifaction of nodal agency regarding additonality.